

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:23

ANSWERED ON:01.03.2002

STATUS OF INDIAN AGRICULTURE AFTER SIGNING WTO AGREEMENT

BIKRAM KESHARI DEO;V.M. SUDHEERAN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the number of times the Committee on Agriculture of the WTO met to discuss the problems faced by developing countries in the field of agriculture, after India has been a signatory to the WTO agreement;
- (b) the issues discussed at the meetings;
- (c) the problems being faced by the Indian farmers due to WTO agreement;
- (d) the steps the Government are taking to safeguard the interest of the Indian farmers, especially those who are engaged in poultry and Dairy farming, growing of commercial, Horticultural and Foodgrain crops; and
- (e) the actual relief provided or proposed to be provided to the affected Indian farmers to meet such situation?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (e) A Statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 23 FOR ANSWER ON 1ST MARCH 2002 REGARDING STATUS OF INDIAN AGRICULTURE AFTER SIGNING OF WTO AGREEMENT

(a) & (b) : Agriculture as a subject was brought into the multilateral trading system for the first time as part of the Uruguay Round Agreements (1994). The Agreement on Agriculture mandated that further negotiations would take place as per Article 20. Accordingly, negotiations began on 01.01.2000 and till date 12 Special Session meetings of the Committee on Agriculture have been held. During the first phase of negotiations, 121 member countries have filed 47 proposals. Discussions are being held on all these proposals. India in its negotiating proposal has sought flexibility to protect food and livelihood security of the country and demanded that the high domestic support and export subsidies provided by the developed countries should be substantially reduced so that the developing countries gain sufficient market access for their agricultural produce.

(c) : Under the Agreement on Agriculture, India does not have any commitment to grant either minimum market access or reduce domestic support to the agriculture sector. While introduction of new export subsidies is prohibited under the Agreement, developing countries like India are permitted to subsidise the cost of International and internal freight and transport. All our developmental schemes as well as the operations of the Public Distribution System [PDS] can continue in an unhindered manner.

The removal of quantitative restrictions on imports has not led to any surge in imports. An analysis of the import data for agricultural products in 2000-01 reveals that imports were only US \$ 1.8 billion, far below the agricultural exports. Import data for the period April-Dec. 2001, for dairy and horticultural products as well as foodgrain crops reveals a negative trend as compared to the corresponding period of the previous year. The imports in the case of poultry products are also negligible.

(d) & (e) : In order to ensure that Indian farmers are not put to any hardship, the Government have put in place a suitable mechanism for monitoring of imports of sensitive items and are committed to providing adequate protection to domestic producers by resorting to various WTO compatible measures which include appropriate calibration of applied tariffs within bound tariffs, imposition of anti-dumping, countervailing duties and safeguard action under certain specified circumstances. Low tariffs on certain items have been raised pursuant to further negotiations. Further, applied tariffs on some items have also been increased.